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| Sul              | CENTRAL INTELLIGENCY   | REPORT   | 5                        |
| •                | INFORMATION REPORT   | •.   |                          |
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| UNIKT            | Poland   | DATE DISTR.21 June 1948  | JUX I-HUIVI              |
| BJECT            | Soviet Control and the Sovietization of Polish Industry  | NO. OF PAGES 7   |                          |
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|                  |  | (LISTED BELOW)   | 50X1-HUM                 |
| E OF IT          |  | SUPPLEMENT TO<br>REPORT NO.  |                          |
| HE UNITED STATES | 5 INFORMATION AFFECTING THE CHATGONAL DEFENSE WITHIN THE MEANING OF THE ESPICIMAGE ACT SO UNITED THE TRANSMISSION OF THE REVOLATION. THIS IS UNEVALUATED   | INFORMATION FOR THE RESEA  | .pou                     |
| ED BY LAW. REPR  |  | ED INTELLIGENCE ANALYSTS   | KUH                      |
|                  |  |  | 50X1-HUM                 |
| 2.               | and Trade, a devotee of Moscow, and virtually Poland).  Central Planning  a. The Centralny Urzad Hanowania - CUP (Cen was formed in the autumn of 1945 for the the State Economic Plan. Czeslaw Bobrows  | stral Planning Office) purpose of elaborating ki was appointed   |                          |
|                  | chairman and held the office till the end when llinc succeeded in getting him dismis at a session of the Economic Committee of Linisters which lasted more than ten hour the CUP were strongly criticized, and whe of the Economic Committee, demanded Bobro motion was carried. None of the people p Bobrowski, although Cyrankiewicz had prom which he (Bobrowski) is a member, would p  | of February 1948,<br>sed. (This occurred<br>the Council of<br>s. The activities of<br>n line, the chairman<br>wski's dismissal, the<br>resent dared to defend<br>ised him that PPS, of 50X1-<br>rotect him, since his  | HUM                      |
|                  | activities were in accordance with PPS po  | licy.)   |                          |
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To supervise the Chairman.

To introduce into the State Economic Plan all the PPR targets, which are always in accord with Soviet interests.

d. CUP controls the planning of all Polish economic life by the following means:

CUP is divided into professional departments, which plan the economy of all industries and large industrial organizations.

The greatest care is taken in the selection of personnel for these departments. For example, the head of the Communications Department, which plans and controls the reconstruction and development of railways, production of rolling stock, construction of railways, roads, and in part, of motor cars, telegraphs, telephones. radio networks. etc. is Stefan Askanas.

The head of the Agri-

cultural Department is Communist

Rzechowski, a eager to establish the

collective farming (kolkhoz) system in Poland.

## 3. The Three-Year Economic Plan.

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a. In itself the Three-Year State Economic Plan contains nothing which could definitely be described as "Sovietization of Polish Industry" in the sense of "obedience to Soviet demands", but it likewise contains nothing which goes against Soviet interests.

A detailed analysis of the plan, however, shows that Soviet interests receive special consideration. This is clearly eyident in the execution of the plan, which, while it may actually fall far short of the planned targets, shows that the reconstruction and development of Polish industry are particularly, if not exclusively, promoted in those sectors of Polish economy which are of positive value to the USSR.

by the highest economic and PPR Party authorities, are:

Indivisibility of the Regained Territories.

Dependence of Polish industry on supplies of materials and tools from abroad.

Low salaries for the workers.

the first is always used as a propaganda trump-card, certain of gaining the support of all classes of the population. The last two are never mentioned openly, for quite obvious reasons.

# Planning Department of the Ministry of Industry and Trade.

Apart from the central CUP organization, the Ministry of Industry and Trade has its own independent Planning Department. This is headed by Engineer Novotny, (real name said to be Finkelstein) and a Communist. On the one hand, Nowotny is in direct liaison with the Industrial Section of the Central Committee of PPR, and, on the other, with the Commercial Attache of the Soviet Embassy in Warsaw.

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- b. The Planning Department of the Ministry of Industry and Trade draws up the plans for the execution in the various industries of the reneral State Plan. In the actual execution, there can and do occur deviations from the CUP plan without previous reference to CUP. In this manner. Soviet desiderata can be introduced easily and without publicity.
- c. The Soviet requests and demands brought forward through the Minc and Nowotny offices are quite imperceptible at the directorate levels of the different branches of industry. However, enthusiasm is aroused among the people engaged in those branches of incustry which are being developed in conformity with Soviet requirements, as they receive special supplies under various foreign trade agreements, including those with the USSR. The most striking examples are to be found in the coal and textile industries, and in the production of coal cars. In the case of the last mentioned, output is to be exported to the USSR after home requirements for 1948 have been met.
- The occupation of key positions by persons loyal to the USSR is practically complete. The Minister of Industry and Trade, the Vice Hinisters and departmental chiefs, with the exception of less important departments, such as the General and the Technical, are all members of the PPR, Communists loyal to the regime and, either directly or indirectly, to Moscow. This applies also to all directors of central administrations of the different industries. The employment of non-party professional men in technical administrative posts as trade directors and, in a few cases, general managers in less important industrial concerns, has no influence on the execution of the general plan. It is not necessary, from the point of view of the regime, to divest the apparatus of all the professional non-party men and to replace them with nonprofessional Party nembers. On the contrary, the giving of high ranking positions to some non-party experts provides them also with an incentive to greater efforts in science and labor. Such treatment is likewise designed to induce more Polish technicians to return from abroad. All persons traveling abroad on technical missions from Poland are commissioned by the Department of Cadres to recruit their colleagues from abroad for Polish industry at

Personal and Political Control of Employees.

5.

6.

Personal and political control of individual employees is organized in complete accordance with the USSR system.

- a. The Department of Cadres in the Ministry of Industry and Trade, although itself of no economic importance, controls all personnel policy. From the highest to the lowest posts in industry, no one can be appointed, transferred or moved without the approval of this department.
- b. Chief of the Department of Cadres is Engineer Jan Pomorski, Vice Minister of Industry and Trade, Communist, member of PPR. He has the full confidence of Minc, and, naturally, of the Central Committee of PPR.
- c. Deputy Chief of the Department of Cadres is Ludwik Pol, Communist, member of PPR, who is in liaison with the Industrial

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Section of the Central Committee of PPR and in direct contact with the Ministry of Security. Ludwik Pol is about to be transferred from the Ministry of Industry and Trade to the post of Chief of Industrial Section of the Central Committee of PPR. Nearly all the departmental chiefs in the Ministry of Industry and Trade are active members of PPR and of much lower rank in the hierarchy of the Party than Pol.

- d. Although the Department of Cadres forms a part of the Ministry of Industry and Trade, the actual authority over it lies with the Industrial Section of the Central Committee of PPR and not with the Minister of Industry and Trade, who does not exercise the right to appoint or release anyone without the approval of the Department.
- e. At every level of industrial organization, in each factory or commercial undertaking without exception, all personnel matters are decided, not by the manager of the concern, but by its Personnel Bureau, which is directly subordinate to the Department of Cadres.
- f. The authority of the Personnel Bureau includes the control and approval of payrolls selection for service journeys, control of accounts for such journeys, control of leave, organization of factory kitchens, supplementary food, clothing, etc.
- g. There is one representative of the Bureau for every 15-20 people. These representatives function under various covers, such as timekeepers, attendance supervisors, salary checkers, educational instructors, canteen stewards, etc. Their task is to collect information, by means of which they keep a check on every worker and employee. These representatives of the Personnel Bureau are all hand-picked members of PPR or connected with the party by ties of strict and severe discipline. Every section of the Personnel Bureau has its own "investigator".
- h. The collected information, supplemented by additional information obtained each week, is entered in the card indexes, with the result that a clear picture is available of the political conduct of each person, from the lowest to highest ranks.
- i. The personnel card index of a factory or industrial enterprise is inaccessible to the Manager of the concern, except in the event of his being a higher ranking member of PPR than the Manager of the Personnel Bureau.
- The following table illustrates the method of registration of personal particulars by the Personnel Bureau.

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|   | Files kept in:-                                 |  |  |  |
| Des <del>cr</del> iption                        | Factory or<br>Industrial<br>Enterprise          | Directorate of the particular Industry | Central Administration to which the Industry belongs | Department of Cadres   |
| Manual<br>workers                               | Card Index                                      | Weekly up-<br>to-date<br>lists         | n.ed   |  |
| Intellec-<br>tual<br>workers                    | Card Index                                      | Copy                                   |  | <u></u>  |
| Directors of Factory or Indus- trial Enterprise | _   | Card Index                             | Card Index   |  |
| Employees<br>in Direc-<br>torate of<br>the      |   |  |  |  |
| Industry  |   | Card Index                             | Up-to-date<br>Lists                                  | مت<br>ر  |
| Directors of Direc- torate of the               | To-Paragraphia displays a company of the second |  |  |  |
| Industry  | -   | -                                      | Card Index   | Card Index   |
| Employees in Cen- tral Ad- ministra- tion of    |   |  |  |  |
| Industry  |   | -                                      | <b>9</b> 7. <b>200</b>                               | Card Index   |

The personal records compiled in this manner and continually supplemented, provide complete control from the security, loyalty and political points of view. The influence of this control is visible in the decrees and orders concerning appointments, releases and transfers which are issued at the instigation of the Personnel Bureau. Common instances are the appointment to professional positions, in furtherance of Personnel Bureau policy, of persons without professional qualifications, who must be tolerated by the management.

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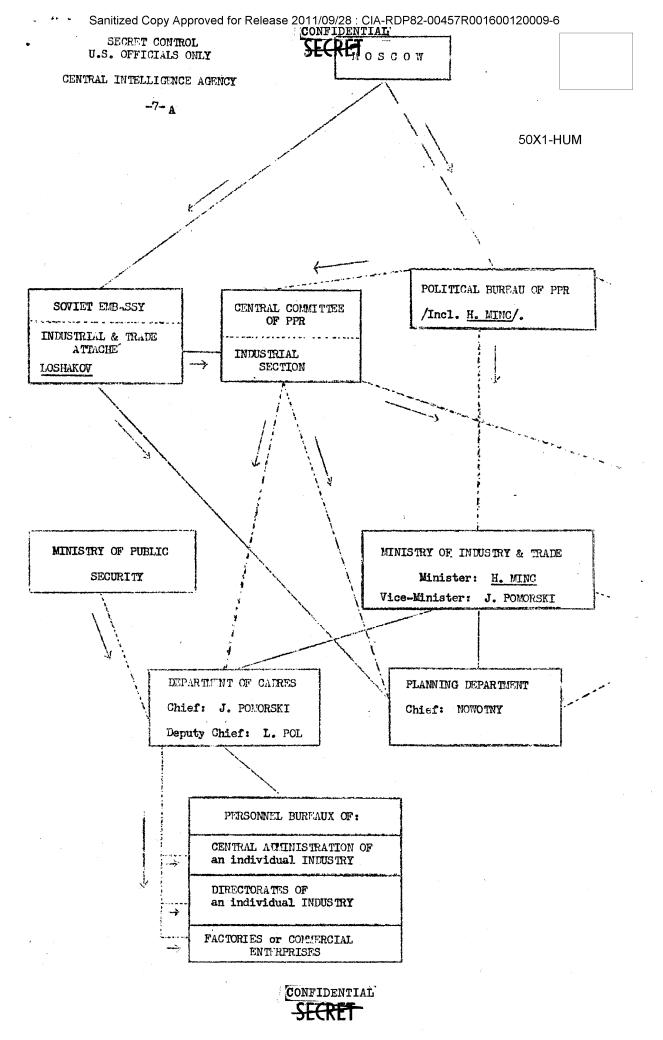


The imitation of Soviet police methods outlined above was introduced under the pretext of centralizing information concerning the small available number of technical personnel, for the purpose of better utilizing their services. The system was established by the Industrial Section of the Central Committee of the PPR and is a faithful copy of the USSR model.

- m. The Department of Cadres of the Ministry of Industry and Trade is very much in the hands of the all-important Industrial Section of the Central Committee of the PPR. In its turn, the Industrial Section is in direct liaison with and obedient to the wishes of the Commercial Attache of the Soviet Embassy in Warsaw, at 2, Al. Szucha.
- n. The attached chart shows the channels through which control of industry is effected.

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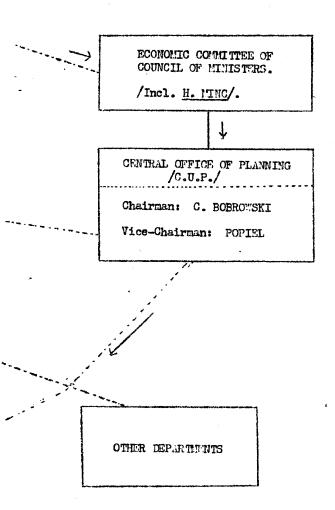
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